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Daws House

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Mr John Tierney
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14 February 2008

Dear John,

Resolv Computers Retirement Benefits Scheme

Further to our recent meeting, I set out below a summary of the points which we discussed, together with the results of my initial enquiries into your other pension arrangements.

Scheme Set Up

I confirm that your SSAS operates as an occupational pension scheme and as such, you and Susan as the sole members and trustees dictate investment policy, how benefits are paid out and how the Scheme should operate.

Presently, your investments consist of cash at bank, a balance of loans due to your Scheme and insurance policies with Skandia. I suggested to you to consider a short term deposit on the money market with Bank of Scotland – given interest rate direction; however I understand that your private bankers are well placed to ensure that the returns on your deposits can be measurably improved. This I suggest is a matter that needs to be actioned immediately.

The insurance policies, how there are spread and whether they are appropriate to your requirements should also be reviewed and I suspect that your Private Bankers can advise you on this also. I am happy to provide them with specialist SSAS guidance if it assists.

Death Benefits

Presently, there is no current nomination of beneficiary form in place for either you or Susan. However in the event that you predecease Susan (and vice versa) it will be at the other trustee's discretion to decide how those death benefits should be paid out.

In the event of your joint death, the Company would be vested with the powers of appointing a trustee to distribute the death benefits to your three children and again I recommend a rule amendment for that power, and all other powers to be removed from the Company given that you no longer have an interest in the business.

We have instructed our pension lawyers to draft this document and this will be available shortly for signing. In the interim, I attach two nomination of beneficiary forms for each of you to complete, sign and return to me. I will arrange for certified copies to be taken of those forms and will return the originals to you for safe keeping.

Other pension policies

You advised that it would be preferable to have your other pension policies under the roof of your SSAS, which will make the administration of your pension affairs more straightforward. This can be arranged via a Deed of Assignment. Such a Deed gives the flexibility of the pension policy to remain invested with the insurance company, but the policy becomes an asset of your SSAS. The insurance policy can also be cashed and the proceeds paid into your Scheme bank account at any time.

The following policies may be assigned:

Resolv EPP 101214535
EPP 0011180819
Skandia TSP 00118289801
Skandia 6PP001180827
TSP001182898
EPP101252493

The life insurance policies are unlikely to be assignable as investments of the SSAS, although we are awaiting clarification on this. The remaining two contracted out policies cannot be assigned at this time; however this may change towards the end of this year given proposed pension regulations.

Investment Choice

I confirm that the rules of your Scheme permit investment in a wide range of areas; this includes land and property in the UK and overseas. With the exception of (under certain conditions) off plan residential property, your Scheme cannot invest either directly or indirectly in this asset class with one exception.

I confirm that your SSAS can make a loan to a Company which you/your family controls, that Company must have as its purpose property investing. The Company can use that loan for investment in residential property. The caveat to this is that neither you nor your family can reside in the property that has been acquired.

Change of Scheme Name

I confirm that the Scheme name can be changed to “The Tierney Family Trust”; I have arranged for a Deed to be drafted in order that the change can be made.

Scheme Benefits

Ordinarily, you will be entitled to each take 25% of your respective funds as a tax free sum, the balance of the fund is then used to provide you with an income for life. We may be able to increase the tax free cash sum for you both, I have written to Nikki Spoor for earnings details from Resolv in order that the calculations may be made.

Costs

The Deeds are provided by our pension solicitors and as such we must charge separately for this. The cost for four Deeds will be in the order of £650-£800. Those deeds are:

1. A Deed to transfer powers currently vested in Resolv to you and Susan as the Trustees.
2. A Deed to change the Scheme name
3. A Deed to assignment executive pension plans to the SSAS
4. A Deed to assign trustees investment plans to the SSAS.

As we discussed, I will endeavor to absorb as much as possible my work within your annual administration fee, which fell for renewal on 1st February. However you will need to allow a budget on your annual administration fee of £500-£600 as there is an awful lot of work that I will need to undertake for you to structure the Scheme as you wish going forward. These costs can be met by the Scheme.

Scheme Administration

We will arrange for all Scheme documentation, HMRC records and those of the Pension Regulator to be amended. We will also register your Scheme on-line with HMRC and will provide you with a login and password which will allow you and Susan to view information on your Scheme via the Government Gateway. Finally, we will need to also file pension returns to HMRC regarding the changes and will I liaise with Nikki for the Scheme accounts.

I have summarised these key points with a timetable on a one page document; this is enclosed with my letter. I will have the first set of paperwork to remove Resolv from your Scheme early next week, in the meantime if you have any questions please do not hesitate to get in touch.

Yours sincerely

G A McCloskey
For Pension Practitioner .Com

Topic	To be actioned	Timescale
Investments and Scheme Set Up	Meeting to be arranged with Nikki Spoor and Private Bankers by JT	To be confirmed.
Death benefits	Update nomination of beneficiary forms	Enclosed with letter dated 14 th February
Life policies – are they appropriate to be assets of the SSAS for IHT purposes	Review policy wording	GM to write to insurers for policy details on 14 th February
To change scheme name to The Tierney Family Trust	Deed of change of name required, with investment companies and regulators to be notified	To be issued on 19 th February
To transfer powers of appointing trustees from Resolv	Deed is being prepared which will need to be signed by the Trustees and Company to effect this.	To be issued on 19 th February
To assign pension policies outside the SSAS	Deed must be drafted in accordance with the insurance companies requirements	Subject to receipt of paperwork from the insurance companies, the Deeds will be available by 29 th February
To increase the available tax free cash sum for JT & ST	Pension Practitioner .Com must assess the current benefits under the new tax regime versus the old tax regime	Subject to receipt of earnings data, the calculations will be available by 29 th February
To update all scheme records in respect of the changes which are being made.	HMRC, the DWP, Data Protection Registrar and the Pension Regulator to be notified of the changes to the SSAS.	On execution of the Deeds , the reporting of the changes to be carried out in the week commencing 3 rd March
Scheme loans	To make available scheme loan documentation for investment in residential property, with an appropriate Deed for the Company receiving the loan.	Pension Practitioner .Com to provide a standard document on request by JT.